

SCHOOL IMPACTS AND MITIGATION REPORT
for the Uptown Newport Project
Environmental Impact Report



Prepared by
Jeanette C. Justus Associates
Contact: Olga Tsiba, Project Manager
(949)706-9701

August 31, 2012

SCHOOL IMPACTS AND MITIGATION REPORT

The purpose of this report is to provide an assessment of school impacts and mitigation scenarios for use as a supplement in the Public Services Schools section of the Environmental Impacts Report for the Uptown Newport project.

1.0 INTRODUCTION

The following report focuses on public school impacts associated with development of Uptown Newport (Proposed Project). The Proposed Project includes construction of a maximum of 1,244 residential units, 11,500 square feet of retail space, and 2.05 acres of park space. The Proposed Project is currently located within the boundaries of the Santa Ana Unified School District (SAUSD), and in close proximity to the boundaries and schools of the Newport Mesa Unified School District (NMUSD). Jointly with adjacent neighbor property owners, the Project Applicant may propose to modify the school district boundaries to ensure that students are housed at the nearest facilities with available capacity. This analysis evaluates available school capacity at SAUSD and NMUSD and analyzes mitigation of three impact scenarios:

- The Proposed Project remains within the SAUSD boundaries with students attending existing schools.
- The Proposed Project remains within the SAUSD boundaries with students attending a new neighborhood school.
- The Proposed Project site is transferred to NMUSD with students attending existing nearest schools.

2.0 EXISTING CONDITIONS

2.1 Regulatory Setting

2.1.1 School Facility Funding

The SAUSD and NMUSD are under the State government's jurisdiction, are subject to *California Education Code* regulations, and are under the governance of the State Board of Education. School capital facility funds come from State funding, State bonds, local General Obligation bonds, developer fees, surplus property sale proceeds, and School Facility Improvement and Community Facilities Districts (CFDs). Limited or no funding is available for school facilities from the federal government.

2.1.1.1 State Funding and Developer Fees

Historically, the State has been responsible for passing legislation for the funding of construction of public schools. To assist in providing school facilities to serve students generated by new development projects, the State passed Assembly Bill (AB) 2926 in 1986. This bill allows school districts to collect impact fees from developers of new residential and commercial/industrial building space. Development impact fees are also referenced in the 1987 Leroy Greene Lease-Purchase Act, which requires school districts to contribute a matching share of costs for construction, modernization, and reconstruction projects.

Senate Bill (SB) 50, which passed in 1998, provides a comprehensive school facilities financing and reform program, and enables a statewide bond issue to be placed on the ballot. The provisions of SB 50 allow the State to offer funding to school districts to acquire school sites, construct new school facilities, and modernize existing school facilities. SB 50 also establishes a process for determining the amount of fees developers may be charged to mitigate the impact of development on school facilities resulting from increased enrollment. Under this legislation, a school district could charge fees above the statutory cap only under specified conditions, and then only up to the amount of funds that the district would be eligible to receive from the State. According to Section 65996 of the *California Government Code*, development fees authorized by SB 50 are deemed to be “full and complete school facilities mitigation”.

SB 50 establishes three levels of developer fees that may be imposed upon new development by the governing board of a school district depending upon certain conditions within a district. These three levels are as follows:

Level 1: Level 1 fees are the base statutory fees. These amounts are the maximum that can be legally imposed upon new construction projects by a school district unless the district qualifies for a higher level of funding.

Pursuant to Section 65995 of the *California Government Code*, as of January 2008, the statutory maximum Level 1 school fees that may be levied by a school district on new development is a maximum of \$2.97 per assessable square foot of residential construction and a maximum of \$0.47 per square foot of enclosed and covered space for commercial/industrial development. These rates are established by the State Allocation Board, and may be increased to adjust for inflation based upon a statewide cost index for Class B construction. To implement Level 1 fees, the governing board of a school district must adopt a nexus study linking development impacts and the need for construction of new facilities. Although not standard, such studies are frequently referred to as Developer Fee Justification Study (DFJS).

The NMUSD currently implements a Level 1 fee of \$1.84 per square foot of new residential development. This means the school district has not updated the DFJS since Level 1 fees were at the statewide level of \$1.84. Such practice is permitted by law.

Starting on August 24, 2012 SAUSD will begin to implement a Level 1 fee of \$3.20 per square foot of new residential development and \$0.51 per square foot of commercial development.

Level 2: Level 2 fees allow the school district to impose developer fees above the statutory level, up to 50 percent of new school construction costs. To implement Level 2 fees, the governing board of the school district must adopt a School Facilities Needs Analysis (SFNA) and meet other pre-requisites in accordance with Section 65995.6 of the *California Government Code*.

The purpose of an SFNA is to determine the need for new school facilities attributable to growth from new residential development (*California Government Code* §65995.6). An SFNA documents that the district has met prerequisite eligibility tests and calculates the fee per square foot of new development. If the school district is eligible for State new construction funding, the State will match the Level 2 fees if funds are available. According to the Office of Public School Construction, although they are currently not being released for funding school facilities, State funds for new school construction are available from existing bond measures.¹ The SAUSD currently implements a Level 2 fee of \$4.75 per square foot of new residential development. The SFNA was last updated in July 2011 and Level 2 fees will be effective through August 23, 2012.

Level 3: Level 3 fees apply if the State runs out of bond funds, allowing the school district to impose 100 percent of the cost of the school facility or mitigation minus any local dedicated school monies. If the State runs out of bond funds, the SAUSD would be eligible to charge Level 3 fees.

2.1.1.2 Local Funding

Santa Ana Unified School District

In accordance with SB 50, the construction of new schools requires a school district to match State funds. The local match is typically provided by such funds as developer fees, local General Obligation bonds, and/or Mello-Roos CFD (“Special Taxes” that can be levied on property owners of newly constructed homes within a CFD). The SAUSD participates in the State funding program actively and obtained funding for expansion of the Lorin Griset Academy (previously named Mountain View High) in 2003.² SAUSD also received School Facility Program funding under modernization, overcrowding relief, critically overcrowded grant categories since 2003.³ At the time of writing, SAUSD has no eligibility for funding in the State

¹ Remaining Bond Authority. Proposition 1D, 55 and 47 Bond Authority. Agenda. State Allocation Board Meeting. January 11, 2012.

² Project Tracking. Office of Public School Construction. www.opsc.dgs.ca.gov. Web retrieved December 15, 2011.

³ Ibid.

new construction program at the K-8 level.⁴ It should be noted that state funding eligibility varies with projected enrollment growth as compared to the number of existing seats in the district.

In 2008, residents within the boundaries of the SAUSD passed a local Measure G authorizing the sale of \$200 million in General Obligation bonds.⁵ At the time of approval of the Measure, School District approved the tax rate of \$28.10 for every \$100,000 of assessed values for the repayment of the bonds.⁶ Measure G funds are used by the School District to repair and construct classrooms and facilities.⁷ Measure G is the second successful General Obligation bond in the SAUSD. Measure C was passed by the SAUSD voters in November 1999 and authorized the sale of \$145 million in General Obligation bonds. Measure C funds were used by the SAUSD for modernization and new construction projects district-wide.⁸

Newport-Mesa Unified School District

In accordance with SB 50, the construction of new schools requires a school district to match State funds. The local match is typically provided by such funds as developer fees, local General Obligation bonds, and/or Mello-Roos CFD (“Special Taxes” that can be levied on property owners of newly constructed homes within a CFD). The NMUSD pursues the opportunity for facilities funding whenever it is eligible in the State funding program. In June 2010, the District was awarded \$1,431,274 for modernization and new construction at Costa Mesa High School.⁹ However, due to the current state budget crisis, funding for the Costa Mesa High School projects has not been released.¹⁰ At the time of writing, NMUSD has no eligibility for funding in the State new construction program at the K-6 level.¹¹ It should be noted that State funding eligibility varies with projected enrollment growth as compared to the number of existing seats in the district.

In November 2005, residents within the boundaries of the NMUSD passed a local Measure F authorizing the sale of \$282 million in General Obligation bonds.¹² In a resolution adopted by the School Board on June 13, 2006, the School District approved the tax rate of \$18.87 for every \$100,000 of assessed value for the repayment of the bonds. Measure F is the second successful General Obligation bond in the School District. Measure A was passed by the

⁴ New Construction Eligibility. Santa Ana Unified School District. Project Tracking. Office of Public School Construction. www.opsc.dgs.ca.gov. Web retrieved November 17, 2011.

⁵ Bond and Parcel Tax Elections. Santa Ana Unified School District. Education Data Partnership. www.ed-data.k12.ca.us. Web retrieved November 17, 2011.

⁶ Jessica Mears, Facilities Planner. Santa Ana Unified School District. E-mail communication. January 12, 2012.

⁷ Bond and Parcel Tax Elections. Santa Ana Unified School District. Education Data Partnership. www.ed-data.k12.ca.us. Web retrieved November 17, 2011.

⁸ Ibid.

⁹ Ara Zareczny, Facilities Planner. Newport-Mesa Unified School District. Comments for the Draft Environmental Impact Report. Newport Banning Ranch Project. October 21, 2011.

¹⁰ Ibid.

¹¹ New Construction Eligibility. Newport-Mesa Unified School District. Project Tracking. Office of Public School Construction. www.opsc.dgs.ca.gov. Web retrieved November 17, 2011.

¹² Bond and Parcel Tax Elections. Santa Ana Unified School District. Education Data Partnership. www.ed-data.k12.ca.us. Web retrieved November 17, 2011.

NMUSD voters in June 2000 and authorized the sale of \$110 million in General Obligation bonds. Measure A funds are used by the School District to modernize every school campus throughout the district and to expand school capacity district-wide.¹³

2.1.2 School Size

The amount of land needed to support a school's educational program corresponds to the school's proposed programs, stated goals of the school district, and recommendations set by the California Department of Education.

2.1.3 Classroom Size

The loading factor that the State uses to calculate school building capacity is 25 students per elementary classroom (K–6) and 27 students per middle and high school classroom (grades 7–12) (OPSC 2008).

2.1.4 Interdistrict Transfers Regulation

According to State law (AB 149 and AB 2071), parents may elect to enroll their children in public school districts whose boundaries encompass the parent's place of work rather than the parent's place of residence. The interdistrict transfer program applies to kindergarten through middle school (i.e., grades K–8) students. "Sending" and "receiving" school districts may refuse interdistrict transfers. However, grounds for such refusals include findings that the requested transfer (1) would be detrimental to a school district that is operating at full capacity; (2) would negatively impact a district's desegregation plan; or (3) would, due to the additional cost of educating a student, cause the school to exceed the amount of additional State aid received as a result of the transfer. Districts cannot arbitrarily refuse transfers (e.g., on the basis of race, ethnicity, sex, parental income, or scholastic achievement). Interdistrict transfer requests are reviewed on an individual basis at SAUSD and NMUSD and are not guaranteed to be approved.^{14,15}

2.1.5 School District Reorganization

The California Code of Education allows for the reorganization of one or more school districts. Actions to organize or reorganize school districts include the formation or abolishment of school districts, consolidation of school districts, transfer of territory from one district to another, and unification of school districts. Transfer of a portion (or portions) of one district to another is one of the most common types of district reorganization. Annexations and unionizations are special cases of a territory transfer where an entire district is transferred to another district.

¹³ Bond and Parcel Tax Elections. Santa Ana Unified School District. Education Data Partnership. www.ed-data.k12.ca.us. Web retrieved November 17, 2011.

¹⁴ Board Policy 5118. Interdistrict attendance and transfer permits. Santa Ana Unified School District.

¹⁵ Board Policy and Administrative Regulations 5117. Interdistrict Attendance. Newport-Mesa Unified School District.

Initiation of school district reorganization petitions is typically submitted by the County Superintendent of Schools to the State Board of Education, unless the petition is for territory transfer of uninhabited land. Four types of reorganization proposals exist:

- At least 25 percent of the registered voters residing in the territory proposed to be reorganized if the territory is inhabited. Where the petition is to reorganize territory in two or more school districts, the petition needs to be signed by at least 25 percent of the registered voters in that territory in each of those districts.
- A number of registered voters residing in the territory proposed to be reorganized, equal to at least 8 percent of the votes cast for all candidates for Governor at the last gubernatorial election in the territory proposed to be reorganized, where the affected territory consists of a single school district with over 200,000 pupils in average daily attendance and the petition is to reorganize the district into two or more districts.
- The owner of the property, provided that territory is uninhabited and the owner thereof has filed either a tentative subdivision map with the appropriate county or city agency or an application for any project, as defined in Section 21065 of the Public Resources Code, with one or more local agencies. This type of territory transfer is assumed to be applicable to the properties in question.
- A majority of the members of the governing boards of each of the districts that would be affected by the proposed reorganization.¹⁶

The proposals for the reorganization of districts must show that each district (1) will have a sufficient number of pupils enrolled, (2) will be organized on the basis of a substantial community identity, (3) will result be an equitable division of property and facilities, (4) will preserve its ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation, (5) will not increase in costs to the state as a result of the proposed reorganization, (6) will continue to promote sound education performance and will not significantly disrupt the educational program, (7) will not increase school facilities costs as a result of the proposed reorganization, (8) is not designed for purposes to significantly increase property values, and (9) will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status.¹⁷

2.2 Site Conditions

Santa Ana Unified School District

¹⁶ California Education Code, Section 35700(a).

¹⁷ California Education Code, Section 35753(a). Web accessed June 19, 2007.

The Proposed Project would be served by the SAUSD. SAUSD is the 6th largest school district in California, and the largest in Orange County. There are 60 schools in the SAUSD: 39 elementary schools (K–5, with few grade configurations exceptions), 9 intermediate schools (6–8), 7 comprehensive high schools (9–12), 3 alternative high schools, a middle college,¹⁸ and a community day school. District-wide enrollment for the 2011–2012 school year was 55,497 students with a total school capacity of 55,867 seats¹⁹. Based on the information available from the California Department of Education Educational Demographics Unit, SAUSD had an enrollment of 31,876 students in grades K–6, 8,353 in grades 7–8 and 15,268 in grades 9–12.²⁰ When enrollment is compared to school capacity aggregated by grade level, an estimated capacity surplus of approximately 347 seats is identified for grades K–12. Table 1 summarizes these school capacity estimates. Enrollment has been relatively stable, decreasing only slightly at a rate of less than one percent per year over the last ten years.

Table 1
Santa Ana Unified School District
Districtwide School Capacity and Enrollment for 2010–2011

School (Grade Level)	School Capacity^a	Enrollment^b	Available Capacity
Elementary (K–6)	29,360	31,876	(2,516)
Intermediate (7-8)	8,663	8,353	310
High (9–12)	17,844	15,268	2,576
District Total	55,844	55,497	347
^a Existing School Facilities Capacity. School Facilities Needs Analysis. Santa Ana Unified School District. Prepared by Dolinka Group. July 21, 2011. p. 11. ^b Enrollment by Grade Level excludes enrollment at Orange County High School of the Arts. California Department of Education. Educational Demographics Unit. www.cde.ca.gov . Web retrieved July 24, 2012.			

Exhibit A, Santa Ana Unified School District Boundaries and Schools, depicts the district boundaries as well as boundaries of schools that are located nearest to the Project site. Existing assigned neighborhood SAUSD schools to the Project site are James Monroe Elementary, McFadden Intermediate and Century High school. Table 2 provides the available capacity at each of these schools based on enrollment figures during the 2011–2012 school year and information provided by SAUSD staff. Based on these enrollment figures, there are 28 elementary and 31 high school seats available. No seats are available at McFadden Intermediate School. It should be noted that only the number of seats in permanent classrooms were provided by SAUSD staff. Portable classrooms onsite house all students enrolled at the school. Portable classrooms provide a mechanism for school districts to address fluctuating enrollments without overbuilding facilities.

¹⁸ The “middle college” high school model is designed as a college prep program.

¹⁹ For the purposes of this analysis, school configuration is provided in K-6/7-8 grade configuration, in order to correspond more closely to the state definition of elementary school capacity and funding.

²⁰ Enrollment by School by Grade Level (excludes Orange County High School of the Arts). Educational Demographics Units. California Department of Education. www.cde.ca.gov. Web retrieved December 18, 2011.

Table 2
Santa Ana Unified School District
Available Capacity at Existing Schools Assigned to the Proposed Project

School Name	Current Permanent Capacity ^a	Enrollment ^a	Available Capacity	Distance to the Project Site (mi) ^a
James Monroe Elementary	500	472	28	5.0
McFadden Intermediate	960	1,415	(455)	5.7
Century High	2,030	1,999	31	6.1
Capacity includes only permanent classrooms. Portable classrooms onsite house all students enrolled into school.				
^a Distance to the Project Site, Current Permanent Capacity and 2011-2012 Enrollment. Joe Dixon, Assistant Superintendent. Santa Ana Unified School District. Letter Re: Environmental Impact Report for the Uptown Newport Project. November 28, 2011.				

The District employs a “neighborhood school” policy that promotes community ownership, limits bussing, and encourages walking and other forms of transportation to and from school sites.²¹ The District's preferred location for a new school site is within 1.5 miles of the planned residential development, in accordance with the District's transportation policy.²² As shown in Table 2, the distance from the Proposed Project to the assigned schools is outside of the “neighborhood school” radius. Based on the anticipated students generated by planned development in the John Wayne Airport area, the SAUSD initiated discussions with local developers regarding the potential placement of a new 'neighborhood school.'²³ A new school facility in the project area would allow the District to better serve the generated students.

Newport-Mesa Unified School District

If the territory transfer is initiated by the Project Applicant and is approved by the Orange County Committee for District Organization, the Project would be served by the NMUSD. There are 32 schools in the School District: 22 elementary schools (K–6, with various grade configurations), 2 middle schools (7–8), 4 comprehensive high schools (2 of the high schools serve grades 7–12), 2 alternative high schools, a middle college,²⁴ and an adult education center. District-wide enrollment for the 2011–2012 school year was 21,803 students with a total school capacity of 23,839 seats.²⁵ Based on the information about capacity provided by the District staff, the NMUSD had an enrollment of 11,528 students in grades K–6 and 10,205 in grades 7–12. When enrollment is compared to school capacity aggregated by grade level, an estimated capacity surplus of approximately 2,036 seats is identified for grades K–12. Table 3 summarizes

²¹ Joe Dixon, Assistant Superintendent. Santa Ana Unified School District. Letter Re: Environmental Impact Report for the Uptown Newport Project. November 28, 2011.

²² Ibid.

²³ Ibid.

²⁴ The “middle college” high school model is designed as a college prep program.

²⁵ School Section. Public Services. Draft Environment Impact Report. Banning Ranch Project. October 21, 2011.

these school capacity estimates. Enrollment has been relatively stable, decreasing only slightly at a rate of one percent per year over the last five years.

Table 3
Newport-Mesa Unified School District
School Capacity and Enrollment for 2010–2011

School (Grade Level)	Net School Capacity^a	Enrollment^a	Available Capacity
Elementary (K–6)	12,478	11,528	950
Secondary (7–12)	11,361	10,275	1,086
District Total	23,839	21,803	2,036
^a Net School Capacity and Enrollment. Ara Zareczny, Facilities Planner. Newport-Mesa Unified School District. Comments for the Draft Environmental Impact Report. Newport Banning Ranch Project. October 21, 2011.			

Exhibit B, Newport-Mesa Unified School District Boundaries and Schools, depicts the district boundaries as well as boundaries of schools that are located nearest to the Proposed Project site. Existing NMUSD schools located closest to the Project site are Eastbluff Elementary and Corona Del Mar Middle and High School. Table 4 provides the available capacity at each of these schools based on enrollment figures during the 2011–2012 school year. Based on these enrollment figures, there are 388 secondary (grades 7-12) school seats available. No seats are available at the elementary level.

Table 4
Newport-Mesa Unified School District
Available Capacity at Existing Schools Nearest to the Project Site

School Name	Net School Capacity^a	Enrollment^b	Available Capacity	Distance to the Project Site (mi)
Eastbluff Elementary	361	372	(11)	1.9
Corona Del Mar High	2,828	2,440	388	2.0
Note: The distances were taken from the crossing of McArthur Blvd and Jamboree Rd.				
^a Ara Zareczny, Facilities Planner. Newport-Mesa Unified School District. Communication via e-mail. January 17, 2012.				
^b Enrollment by School and by Grade Level. Newport-Mesa Unified School District. Educational Demographics Unit. www.cde.ca.gov. Web retrieved July 24, 2012.				

3.0 IMPACT ANALYSIS

3.1 Methodology

This assessment addresses the potential impacts of the Proposed Project on the public school system only, as it is directly responsible (and mandated) to serve new student populations generated from implementation of the Project. Private institutions and higher education institutions are not evaluated since they are privately funded and/or are not mandated to provide services; therefore, these schools are not discussed herein.

The methodology used in this analysis assumes that the number of new students generated from the Proposed Project is directly related to the type and amount of the Proposed Project's residential construction within the boundaries of the school district. Where the existing capacity of each school appears to be inadequate for Project-generated students, the analysis includes an evaluation of the existing school sites' capabilities to add new classroom capacity that would accommodate Project-generated students, if needed.

Student Generation Rates (SGR, rates)

SAUSD has not experienced a significant amount of new development in the last five years. The available published SGR as provided in the 2011 SAUSD School Facilities Needs Analysis (SFNA) is based on SGR from Irvine Unified School District's 2011 SFNA SGR. This option of using SGR from a neighboring district is allowed by *California Government Code Section 65995*.²⁶ Unlike SAUSD, IUSD experienced a significant amount of growth in the category of attached housing throughout the City of Irvine. However, Jeanette C. Justus Associates works closely with IUSD and, as a result, has a thorough understanding of the type of product constructed in this district. The density of the typical attached product constructed in the City of Irvine and the IUSD is significantly lower than the density of the Proposed Project and projects are located outside of the urban areas such as the John Wayne Airport Area and the Irvine Spectrum. The vast majority of attached product in IUSD is under 20 dwelling units per acre and is therefore, not representative of the product constructed in the John Wayne Airport Area and the Irvine Spectrum. For the purposes of analyzing school impacts, Jeanette C. Justus Associates obtained from IUSD, the number of students residing in projects with high density (range of 45-55 dwelling units per acre) and in similar locations.^{27, 28}

Based on the data collected from IUSD, Jeanette C. Justus Associates developed the SGR for the Proposed Project. The sample of 2,422 dwelling units included existing residential projects in the John Wayne Airport Area and the Irvine Spectrum area that are similar to those anticipated in the Uptown Newport (Like Product). The projects in the sample were considered similar due to the high density and amenities geared toward young professionals rather than families with children. It was found that 166 K-12 students residing in the sample attend IUSD schools. The resulting rates are provided in Table 5 below.

²⁶ California Government Code Section 65995.

²⁷ Density. Irvine Business Complex Residential Project List. Updated March 11, 2011.

²⁸ Donna Jordan, Facilities Planner. Irvine Unified School District. Via e-mail. October 4, 2011.

Table 5
Like Product Student Generation Rates^a

Like Product	K-6	7-8	9-12	K-12
High Density Attached	0.040	0.012	0.017	0.069
^a . Like Product High density student generation rates are based on data from the following high density apartment projects located within IUSD boundaries: 2801 Main Street (Irvine Business Complex), 2801 Alton Parkway (Irvine Business Complex), The Charter (Irvine Business Complex) and The Village (Irvine Spectrum).				

3.2 Project Design Features

The Proposed Project does not include the development of public school facilities on the Project site. As such, no project design features are proposed by the Applicant relative to public school facilities.

3.3 Standard Conditions and Requirements

- *Standard Condition 1:* Pursuant to Section 65995 of the *California Government Code*, the Applicant shall pay developer fees to the Santa Ana Unified School District at the time building permits are issued; payment of the adopted fees would provide full and complete mitigation of school impacts.
- *Standard Condition 2:* New development within the Project site shall be subject to the same General Obligation bond tax rate as already applied to other properties within the Santa Ana Unified School District for Measure G (approved in 2008) and Measure C (approved in 1999) based upon assessed value of the residential and commercial uses.

3.4 Thresholds of Significance

The following significance criteria are from the City of Newport Beach Environmental Checklist. The Project would result in a significant impact related to schools if it would:

- Result in substantial adverse physical impacts associated with the provision of new or physically altered school facilities, need for new or physically altered school facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable levels of service ratios or other performance objectives for public school facilities.
- Conflict with any applicable plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.

3.5 Project Impacts

3.5.1 Student Projection

At project build-out, the Proposed Project may develop up to 1,244 residential units, 11,500 square feet of retail space, and 2.05 acres of park space. Based on the student generation rates provided in Table 5, the Proposed Project is anticipated to yield approximately 87 K-12 students, including 50 elementary, 12 middle and 22 high school students. Table 6 provides the proposed units per product type and the approximate student yield per product type.

Table 6
Dwelling Units and Students Yield

Dwelling Unit Type	Units	K-6	7-8	9-12	Total
High Density Attached SGR		0.040	0.012	0.017	0.069
Number of Units in Proposed Project	1,244	50	12	22	87
Source: Irvine Unified School District. October 4, 2011. SGR calculated by Jeanette C. Justus Associates.					

3.5.2 School Need

The Proposed Project would generate 87 students from grades K-12 that would need to be accommodated either at existing or new schools, as discussed below:

3.5.2.1 Elementary School

The Proposed Project would generate 50 elementary students. The Project site is within the school boundaries of James Monroe Elementary School (Table 2). Based on current enrollment figures and available capacity, one to two additional classroom facilities would be required and could be provided at James Monroe Elementary School to accommodate students associated with the Proposed Project. Payment of mandated school fees as required by Government Code Section 65995 serves to fully mitigate Project impacts on schools.

3.5.2.2 Middle School

At buildout, the Project would generate 12 middle school students. Students from the Project would attend McFadden Intermediate School (Table 2), which currently has no capacity to accommodate new students. One additional classroom could be provided at McFadden Intermediate School. Payment of mandated school fees as required by Government Code Section 65995 serves to fully mitigate Project impacts on schools.

3.5.2.3 High School

At buildout, the Project would generate 22 high school students. Students from the Project would attend Century High School, which currently has 31 available seats (Table 2). No significant impacts are anticipated.

3.5.3 School Finance

Based on data about available capacity, the SAUSD would not require funds to construct additional capacity to serve the Project-generated students at the high school level. At the elementary school level, based on the current enrollment data, one to two additional portable or permanent classrooms may be required to accommodate Project students. At the middle school level, one additional classroom would be required.

However, the SAUSD will have a Level 1 fee program in place effective upon expiration of Level 2 fees on August 23, 2012, and the Project would be subject to payment of applicable developer fees. Payment of the adopted developer fees by the Applicant would, in accordance with Section 65995(h) of the *California Government Code*, fully and completely mitigate all school impacts. Additionally, new development on the Project site would be subject to taxes from both General Obligation bond measures approved by the SAUSD. The Project would be required to comply with Standard Conditions 1 and 2. Standard Condition 1 requires the payment of State-mandated school fees. Standard Condition 2 identifies that the Project would be subject to Measure G and Measure C General Obligation taxes as applied to other properties within the SAUSD.

3.5.3.1 Alternative Mitigation

Mitigation Alternative 1: Construction of a Neighborhood School by Santa Ana Unified School District

Along with other John Wayne Airport Area developers, SAUSD has informed the Project Applicant that they are considering the possibility of alternative facility and finance programs and potentially a mitigation agreement that is mutually agreeable for all affected parties. The SAUSD seeks to construct a neighborhood school in the John Wayne Airport Area. If a new school were constructed, then developer fees would contribute to the construction of the school. At the time of this writing, it is unknown whether a school site could be secured and a mitigation and financing agreement with all area developers be reached.

Mitigation Alternative 2: Territory Transfer to Newport-Mesa Unified School District

District Reorganization

The Proposed Project Applicant may propose to modify the school district boundaries such that the entire Project territory would be located within the boundaries of the neighboring NMUSD. This is being considered to ensure that Proposed Project students attend school facilities nearest to the homes and bussing or other transportation costs and impacts are minimized. In the absence of a neighborhood school within SAUSD, such territory transfer would enable Project students to maximize their quality of life by being better able to take

advantage of school-related activities such as after school programs and athletic clubs. Living in proximity to the families of their children's classmates, would allow Project residents with children to build stronger communal ties. The transfer of school district boundaries would be subject to concurrence of the Orange County Committee on School District Organization and the State Board of Education. Below is the discussion of mitigation of school impacts should such territory transfer take place.

Elementary School

At buildout, the Proposed Project would generate approximately 60 elementary school students. The Proposed Project site is in proximity of Eastbluff Elementary School (Table 4). Based on current enrollment figures, up to four additional classroom facilities would be required and could be provided to accommodate students associated with the Proposed Project. The Project Applicant would mitigate school impacts by payment of statutory school fees to fully mitigate Project impacts on schools. Additionally the Proposed Project would be subject to Measure F and Measure A General Obligation taxes as applied to other properties within the NMUSD.

Secondary School

At buildout, the Proposed Project would generate 44 secondary school students (grades 7-12). Students from the Project would attend Corona Del Mar High School, which currently has 388 available seats (Table 4). No significant impacts are anticipated.

4.0 MITIGATION MEASURES

Pursuant to Government Code Section 65995, the Applicant shall pay the developer fees at the time building permits are issued; payment of the adopted fees would provide full and complete mitigation of school impacts. Alternatively, the Applicant may enter into a school mitigation and finance agreement with SAUSD or NMUSD to address mitigation to school impacts in lieu of payment of developer fees. The Agreement shall be mutually satisfying and shall establish financing mechanisms for funding facilities to serve the students from the Project. If the Applicant and the affected school district do not reach a mutually satisfying agreement, then project impacts would be subject to developer fees.

5.0 CUMULATIVE IMPACTS

All projects contribute incrementally to increases in student populations, either through the direct construction of new housing, which is then occupied by school-age children or through the creation of new employment opportunities that may induce in-migration into a school district or allow young adults to leave home and form their own households. As school districts' enrollment expands, school administrators must seek both short-term and long-term remedies to accommodate those added students to schools that, in most instances, are already at or in excess of their design capacities. While portable classrooms may provide short-term solutions to particular schools, many facilities have already reached their abilities to add additional portables without further affecting other campus programs and amenities.

In recognition of these conditions, the State Legislature provided authority for school districts to assess impact fees for both residential and nonresidential development projects. Those fees, as authorized under Education Code Section 17620(a) and Government Code Section 65995(b), are collected by municipalities at the time building permits are issued and conveyed to the affected school district in accordance with a defined fee structure. Although those fees are seldom adequate to accommodate the true costs incurred by affected districts to construct new facilities, the Legislature has declared that the payment of those fees constitutes full mitigation for the impacts generated by new development.

Since all non-exempt projects must pay their appropriate impact fees, each project will mitigate the impacts associated with those activities. As a result, no cumulative impact upon local school districts is anticipated as a result of the implementation of the Proposed Project and other area-wide development activities.

Level of Significance Prior to Mitigation

Significant.

Mitigation Measures

See Mitigation Measure 4.0.

Level of Significance After Mitigation

Less than Significant.